



[SF 500](#) – E911 Consolidation (LSB1189SZ)

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Fiscal Note Version – New

Description

[Senate File 500](#) relates to the E911 emergency telephone communication systems and E911 Surcharge Fund and makes several changes.

Background

Currently, the E911 Surcharge Fund is distributed in the following order:

- \$250,000 to the Homeland Security Emergency Management Department (HSEMD) for administration of the E911 Surcharge Fund.
- 60.0% to the individual Public Safety Answering Points (PSAPs) based on a formula. This formula allocates 65.0% in proportion to the square miles of the PSAP service area to the total square miles in the State, and 35.0% in proportion to the wireless E911 calls received at the PSAP to the total calls received statewide.
- 10.0% of the surcharge revenue to wireless carriers to recover costs.
- Reimbursement of communications service providers for eligible transport costs.
- Wireline carriers and third-party E911 automatic location information costs.
- 12.5% (\$3.5 million) for a reserve in case of a catastrophic event.
- \$4.3 million for the Statewide Interoperable Communications System FY 2017 lease payment.
- Remaining funds are expended in grants to PSAPs and up to \$100,000 for development of public awareness and educational programs.

Due to changes contained within [HF 2439](#), enacted during the 2016 Legislative Session, in FY 2019 and subsequent years the carryover amount is limited to \$3.5 million for a catastrophic event.

This Bill, effective July 1, 2017:

- Modifies and adds technological terminology related to E911 emergency telephone communication systems.
- Allows the E911 Program Manager to provide grants for the purpose of developing and maintaining Geographic Information System data to be used in support of the Next Generation 911 network.
- Makes changes to the distribution and permissible expenditures of the E911 Emergency Communications Service surcharge. The Bill removes the allocation of \$4.4 million to the Department of Public Safety for the FY 2017 lease payment for building of the Statewide Interoperable Communications System. At this time, no source for the FY 2018 lease payment of \$4.0 million has been finalized.
- Limits the definition of consolidation with respect to grants provided to PSAPs.
- Adds a member to the existing 13 members of the E911 Communications Council that would be appointed from the Iowa Geographic Information Council.
- Requires the HSEMD to develop a plan to combine the wireline E911 network with the Next Generation E911 network.

- Changes the amount of funds available for local PSAP consolidation grants from \$4.4 million to \$7.0 million, and specifies that these consolidations would be physical rather than virtual.
- Removes any reimbursement to the PSAPs for local costs to access the Statewide Interoperable Communications System. The PSAPs can currently use E911 surcharge funds for radio systems, and the intent of this provision is to remove redundant language from the Iowa Code.

Assumptions

- Revenues will continue to be generated as they have in past years.
- Combining the wireline E911 network with the Next Generation E911 network would require an additional estimated \$8.0 million in network expenses in FY 2019. Wireline revenue would still be allocated to the local PSAPs according to current law.
- After the FY 2017 \$4.3 million lease payment for the land mobile radio system, it is assumed that there will be no more lease payments allocated from the E911 Surcharge Fund.

Fiscal Impact

There is no impact to the General Fund as all revenues are from the E911 Surcharge Fund. **Table 1** summarizes the revenues and expenses projected under this Bill for that Fund.

Table 1 – E911 Surcharge Fund Projected Revenues and Expenditures Under SF 500

	Current Law		Proposed Law SF 454		
	Actual FY 2016	Projected FY 2017	Projected FY 2018	Projected FY 2019	Projected FY 2020
Revenue	\$28,825,220.91	\$29,176,675.70	\$29,100,000.00	\$29,100,000.00	\$29,100,000.00
Operating Surplus Brought Forward	\$19,798,811.21	\$15,500,602.39	\$11,698,980.61	\$8,863,181.69	\$0.00
Unused Catastrophic Reserve	\$0.00	\$0.00	\$3,501,201.08	\$3,492,000.00	\$3,492,000.00
Total Revenue	\$48,624,032.12	\$44,677,278.09	\$44,300,181.69	\$41,455,181.69	\$32,592,000.00
HSEMD Administration	\$250,000.00	\$250,000.00	\$250,000.00	\$250,000.00	\$250,000.00
Land Mobile Radio Lease	\$4,000,000.00	\$4,300,000.00	\$0.00	\$0.00	\$0.00
PSAP Formula Payments	\$13,244,518.25	\$17,427,096.40	\$17,500,000.00	\$17,500,000.00	\$17,500,000.00
GIS Grants	\$999,622.62	\$0.00	\$1,695,000.00	\$1,130,000.00	\$1,130,000.00
Network Expenses/Obligations	\$4,529,079.07	\$6,000,000.00	\$5,500,000.00	\$14,500,000.00	\$8,000,000.00
Grants/Surplus Pass Through	\$10,096,516.20	\$4,377,000.00	\$6,900,000.00	\$4,483,181.69	\$2,120,000.00
Council, Public Education, Training	\$3,693.59	\$23,000.00	\$100,000.00	\$100,000.00	\$100,000.00
Total Expenses	\$33,123,429.73	\$32,377,096.40	\$31,945,000.00	\$37,963,181.69	\$29,100,000.00
Projected Operating Surplus Balance	\$15,500,602.39	\$12,300,181.69	\$12,355,181.69	\$3,492,000.00	\$3,492,000.00
Catastrophic Reserve	\$0.00	\$3,501,201.08	\$3,492,000.00	\$3,492,000.00	\$3,492,000.00
Estimated New Surplus	\$0.00	\$2,900,000.00	\$0.00	\$0.00	\$0.00
Actual Balance	\$15,500,602.39				
Surplus Available	\$15,500,602.39	\$11,698,980.61	\$8,863,181.69	\$0.00	\$0.00

Source

Homeland Security and Emergency Management Department

/s/ Holly M. Lyons

April 14, 2017

The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.